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China, Peoples Republic of

Oilseeds and Products

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Report Highlights:

Total imports of soybeans in MY02 are estimated at 16.25 MMT and forecast to increase to 16.5 MMT in MY03. Rising incomes are driving up demand for oils and feed for livestock. U.S. exporters will face stiff competition from South American soybeans. China's soybean production is estimated to be a record 16.3 MMT for the current marketing year and another record of 17 MMT is forecast for MY03. Also see Part 2 (CH3018) for trade tables.

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Executive Summary

The demand for oilseeds in China continues to rise along with growth in personal incomes, a strong economy, and large absolute increases in population. Even with a modest one percent growth in population, China continues to add 13 million people -- three times the population of Ireland -- to its population every year. Those new consumers, especially in urban areas, are increasingly able to buy more poultry, beef, and pork, which is driving the demand for meal. In recent years the demand for oil has taken a back seat to the demand for meal as a factor driving soybean imports. Prices for major oilseeds and products rose by approximately 30 percent during CY02, despite a record domestic soybean crop.

Crushers continue to expand and improve the efficiency of their operations. The crushing industry also continues to segment between the large crushers of mostly imported soybeans located primarily in the southern coastal areas and the smaller crushers of domestic soybeans in the principal soybean growing regions in the Northeast. Logistic bottlenecks and transportation costs hamper domestic soybeans from competing effectively against imported soybeans in the southern coastal regions. Nearly all of the soybean-based food products, such as tofu and soy beverage drinks, which the Chinese consume in much larger quantities than Americans, are derived from domestically grown soybeans, usually grown near the food processing facility. Very few imported soybeans go for domestic food use. Several knowledgeable analysts opined that FAS/Beijing's past estimates of food use have been too low. This view is the basis for the increase in food use reflected in this report.

China's biotechnology policy debate continues to cast a shadow over soybean imports, albeit not quite as dark or uncertain as last year. Discussions at the highest levels of the U.S. and Chinese governments led to assurances from the Chinese that their biotechnology policy will not impede soybean imports. The interim biotech regulations, which were set to expire on Dec 20, 2002, were extended to Sept 20, 2003.

Looking ahead to the close of the current marketing year and the forecast for MY03, FAS/Beijing expects a strong finish for soybean imports for MY02 and a leveling off in those imports forecast in MY03. Total oilseeds production in MY02 is estimated to be slightly less than in MY01, but a 48 percent increase in total imports (mostly soybeans) for the same period is expected to contribute to a 4.8 percent increase in total oilseeds supplies by the close of the current marketing year. Total oilseeds supplies in MY03 are forecast to jump a similar 4.9 percent from the revised MY02 estimate. Most of this increase is based on the assumption that domestic rapeseed production will return to its recent average after a poor crop in MY02. The MY03 forecast factors in that a record world oilseeds crop, together with a record domestic soybean crop expected in the current marketing year, will put downward pressure on prices and profits. U.S. exporters will face stiff competition from South American soybeans, especially from Brazil, which expects a record crop. It should be noted, however, that the Chinese appetite for oilseeds continues to surprise many analysts.

Total Oilseeds and Products

Total Oilseeds

Soybeans continue to dominate the total oilseeds picture. Few major changes occurred or are forecast to occur in the other oilseeds during the current and out marketing years. Total oilseeds imports are forecast at 17 MMT, a 2 percent increase over the revised MY02 estimate. The latter was revised upward by 11.7 percent to 16.61 MMT, of which 16.25 MMT are soybeans, primarily due to larger than previously estimated soybean

imports. Total imports in MY02 are estimated to be 48 percent more than in MY01. China's oilseeds production is forecast to increase 6.3 percent in MY03 compared to the revised MY02 estimate. The increase is due in part to a return to historic average rapeseed yields after a poor crop in MY02. Imports of oilseeds from the United States are expected to hold steady in MY03 compared to the MY02 estimate. A record world oilseeds crop estimated for the current marketing year is likely to put pressure on prices.

Total Meal

Total meal production in MY03 is forecast at 30 MMT, of which 19.1 MMT (64 percent) is soybean meal and 7.6 MMT (25.3 percent) is rapeseed meal, with peanut meal and fishmeal accounting for the remainder in that order. This MY03 forecast is 3.4 percent greater than the revised MY02 estimate. The MY02 total production estimate is 4.5 percent higher than the revised MY01 figure. This growth reflects the significant increase in crush capacity that has come on line recently.

Total Vegetable Oil

Total vegetable oil production is forecast at 10.8 MMT in MY03, 8.7 percent more than the revised estimate for MY02 which, in turn, is slightly less than the final number for MY01. The total oil production is composed of 4.25 MMT (39 percent) soybean oil, 4.2 MMT (39 percent) rapeseed oil, 2.2 MMT (20 percent) palm oil and 2.2 MMT (20 percent) sunflowerseed oil, and the remainder coconut oil. The reduction in rapeseed oil production is responsible for the slight decrease in MY02. Soybean and rapeseed oil prices increased 28 percent during CY02 due to strong demand. With the increased crushing capacity expected to come on line in MY02 & MY03, imports are forecast to decline 5 percent in MY03.

China's WTO commitments included tariff rate quotas for oils, including soybean, rape, and palm, which it implemented in CY2002. According to industry sources, the TRQ quantities are sufficient to meet most import needs. Fewer problems have been reported to FAS/Beijing regarding the administration and availability of these vegetable oil TRQs than the TRQs for other products. (See Table 24 for details.)

Statistical Tables

Total Oilseeds, Oil and Meal

Table 1. Total Oilseeds

*Excludes cottonseed which was included in FAS/Beijing's "Total Oilseeds" table in prior years

PSD Table						
Country	China, Peoples Republic of				(1000 HA)(1000 MT)	
Commodity	Total Oilseeds					
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Area Planted	23700	23539	24000	24055	0	24000
Area Harvested	22491	22584	22950	22955	0	24000
Beginning Stocks	4910	4910	2290	2092	0	1972
Production	42639	42635	43200	42460	0	45130
MY Imports	11165	11165	14860	16609	0	17020
MY Imp. from U.S.	4310	4465	6105	6656	0	6710
MY Imp. from EC	165	193	165	184	0	200
TOTAL SUPPLY	58714	58710	60350	61161	0	64122
MY Exports	856	1026	865	910	0	840
MY Exp to the EC	165	193	165	184	0	200
Crush Dom Consumption	39005	39255	40440	40990	0	43892
Food Use Dom Consump	12878	13117	13105	13649	0	13650
Feed, Seed, Waste DM Cn	3685	3220	3575	3640	0	3740
TOTAL Dom Consumption	55568	55592	57120	58279	0	61282
Ending Stocks	2290	2092	2365	1972	0	2000
TOTAL DISTRIBUTION	58714	58710	60350	61161	0	64122
Calendar Year Imports	13800	15668	550	11940	0	0
Calendar Yr. Imp. U.S.	5800	5729	0	4622	0	0
Calendar Year Exports	240	973	0	1051	0	0
Calndr Yr. Exp. to U.S.	0	11	0	12	0	0

Table 2. Total Meal

*Excludes cottonseed meal which was included in FAS/Beijing's "Total Meals" table in prior years

PSD Table						
Country:						
Commodity:	Total Meal					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin						
Crush	39005	39255	40440	40990	0	43892
Extr. Rate	0.67324701961	0.6815947	0.6777695	0.6842401	ERR	0.6837237
Beginning Stocks	0	0	0	0	0	0
Production	26260	26756	27409	28047	0	30010
MY Imports	870	979	780	980	0	940
MY Imp. from U.S.	40	69	60	61	0	0
MY Imp. from the EC	0	1	0	0	0	0
TOTAL SUPPLY	27130	27735	28189	29027	0	30950
MY Exports	1303	1283	1137	1423	0	1673
MY Exp. to the EC	20	2	25	30	0	30
Industrial Dom. Consum	4490	4731	4770	4630	0	5640
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	21337	21721	22282	22974	0	23637
Total Dom. Consumption	25827	26452	27052	27604	0	29277
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	27130	27735	28189	29027	0	30950
Calendar Year Imports	300	1012	0	1	0	0
Calendar Yr Imp. U.S.	0	70	0	0	0	0
Calendar Year Exports	100	821	0	1284	0	0
Calndr Yr Exp. to U.S.	0	0	0	40	0	0

Table 3. Total Vegetable Oil

*Excludes cottonseed oil which was included in FAS/Beijing's "Total Vegetable Oil" table in prior years

PSD Table						
Country:						
Commodity:	Total Oil					
		2001		2002		2003
	Old	New	Old	New	Old	New
Market Year Begin						
Crush	39005	39255	40440	40990	0	43892
Extr. Rate	0.24463530317	0.2595338	0.2386004	0.2427909	ERR	0.2465142
Beginning Stocks	280	230	250	210	300	400
Production	9542	10188	9649	9952	0	10820
MY Imports	2086	2579	2640	3230	0	3080
MY Imp. from U.S.	0	23	40	44	0	0
MY Imp. from the EC	10	30	25	52	0	0
TOTAL SUPPLY	11908	12997	12539	13392	300	14300
MY Exports	105	100	135	195	0	201
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	11553	12687	12104	12797	0	13699
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	11553	12687	12104	12797	0	13699
Ending Stocks	250	210	300	400	0	400
TOTAL DISTRIBUTION	11908	12997	12539	13392	0	14300
Calendar Year Imports	1506	248	0	952	0	0
Calendar Yr Imp. U.S.	12	13	0	21	0	0
Calendar Year Exports	0	128	0	77	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Oilseeds

Table 4. Soybeans

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	9480	9482	9200	9550	0	9700
Area Harvested	9480	9482	9400	9550	0	9700
Beginning Stocks	4910	4910	2290	2092	2365	1972
Production	15410	15410	16400	16300	0	17000
MY Imports	10385	10386	14500	16250	0	16500
MY Imp. from U.S.	4300	4461	6100	6650	0	6700
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	30705	30706	33190	34642	2365	35472
MY Exports	300	304	275	270	0	300
MY Exp. to the EC	0	14	0	0	0	0
Crush Dom. Consumption	20310	20400	22450	23300	0	24172
Food Use Dom. Consump.	6270	6350	6520	7000	0	7000
Feed,Seed,Waste Dm.Cn.	1535	1560	1580	2100	0	2000
TOTAL Dom. Consumption	28115	28310	30550	32400	0	33172
Ending Stocks	2290	2092	2365	1972	0	2000
TOTAL DISTRIBUTION	30705	30706	33190	34642	0	35472
Calendar Year Imports	13000	13939	0	11316	0	0
Calendar Yr Imp. U.S.	5800	5726	0	4619	0	0
Calendar Year Exports	240	248	0	276	0	0
Calndr Yr Exp. to U.S.	0	1	0	1	0	0

Table 5. Rapeseed

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Rapeseed				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	8050	8050	8500	8500	0	8200
Area Harvested	7095	7095	7400	7400	0	8200
Beginning Stocks	0		0	0	0	0
Production	11331	11331	10500	10300	0	12350
MY Imports	775	775	350	350	0	500
MY Imp. from U.S.	0	0	0		0	0
MY Imp. from the EC	0	55	0		0	0
TOTAL SUPPLY	12106	12106	10850	10650	0	12850
MY Exports	1	1	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	11120	11405	10050	10000	0	12000
Food Use Dom. Consump.	0	0	0		0	
Feed,Seed,Waste Dm.Cn.	985	700	800	650	0	850
TOTAL Dom. Consumption	12105	12105	10850	10650	0	12850
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	12106	12106	10850	10650	0	12850
Calendar Year Imports	800	1724	550	618	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	2	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 6 . Peanuts

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Peanut				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	4990	4991	5100	4805	0	4900
Area Harvested	4900	4991	5000	4805	0	4900
Beginning Stocks	0	0	0	0	0	0
Production	14420	14416	14500	14000	0	14000
MY Imports	0		0	2	0	0
My Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	14420	14416	14500	14002	0	14000
MY Exports	525	691	550	600	0	500
MY Exp. to the EC	150	170	150	170	0	200
Crush Dom. Consumption	6775	6800	6950	6900	0	7000
Food Use Dom. Consump.	6020	6050	5900	5700	0	5700
Feed,Seed,Waste Dm.Cn.	1100	875	1100	802	0	800
TOTAL Dom. Consumption	13895	13725	13950	13402	0	13500
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	14420	14416	14500	14002	0	14000
Calendar Year Imports	0	1	0	2	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	686	0	746	0	0
Calndr Yr Exp. to U.S.	0	10	0	11	0	0

Table 7. Sunflowerseed

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	1180	1016	1200	1200	0	1200
Area Harvested	1016	1016	1150	1200	0	1200
Beginning Stocks	0	0	0	0	0	0
Production	1478	1478	1800	1860	0	1790
MY Imports	5	4	10	7	0	10
MY Imp. from U.S.	10	4	5	6	0	5
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1483	1482	1810	1867	0	1800
MY Exports	30	30	40	40	0	40
MY Exp. to the EC	15	9	15	14	0	0
Crush Dom. Consumption	800	650	990	790	0	720
Food Use Dom. Consump.	588	717	685	949	0	950
Feed,Seed,Waste Dm.Cn.	65	85	95	88	0	90
TOTAL Dom. Consumption	1453	1452	1770	1827	0	1760
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1483	1482	1810	1867	0	1800
Calendar Year Imports	0	4	0	4	0	0
Calendar Yr Imp. U.S.	0	3	0	3	0	0
Calendar Year Exports	0	39	0	29	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Oilseeds Meals & Fish Meal

Table 8. Soybean Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Soybean				(1000 MT)(PERC ENT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	20310	20400	22450	23300	0	24172
Extr. Rate, 999.9999	0.796898	0.79902	0.796437	0.79	ERR	0.79017
Beginning Stocks	0	0	0	0	0	0
Production	16185	16300	17880	18407	0	19100
MY Imports	20	21	50	50	0	40
MY Imp. from U.S.	0	0	0	1	0	0
MY Imp. from the EC	0	1	0	0	0	0
TOTAL SUPPLY	16205	16321	17930	18457	0	19140
MY Exports	1050	1051	1000	1100	0	1500
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	571	675	600	0	640
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	15155	14699	16255	16757	0	17000
TOTAL Dom. Consumption	15155	15270	16930	17357	0	17640
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	16205	16321	17930	18457	0	19140
Calendar Year Imports	300	54	0	1	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	100	315	0	1013	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 9. Rapeseed Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Rapeseed				(1000 MT)(PERCENT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	11120	11405	10050	10000	0	12000
Extr. Rate, 999.9999	0.622752	0.630425	0.622886	0.63	ERR	0.63
Beginning Stocks	0	0	0	0	0	0
Production	6925	7190	6260	6300	0	7560
MY Imports	0	0	30	30	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	6925	7190	6290	6330	0	7560
MY Exports	210	207	125	300	0	150
MY Exp. to the EC	20	2	25	30	0	30
Industrial Dom. Consum	4490	4160	4095	4030	0	5000
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	2225	2823	2070	2000	0	2410
TOTAL Dom. Consumption	6715	6983	6165	6030	0	7410
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	6925	7190	6290	6330	0	7560
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	476	0	260	0	0
Calndr Yr Exp. to U.S.	0	0	0	40	0	0

Table 10. Fishmeal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Fish				(1000 MT)(PERCENT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2002		01/2003		01/2004
Catch For Reduction	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	500	500	550	550	0	550
MY Imports	850	958	700	900	0	900
MY Imp. from U.S.	40	69	60	60	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1350	1458	1250	1450	0	1450
MY Exports	8	4	2	3	0	3
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	1342	1454	1248	1447	0	1447
TOTAL Dom. Consumption	1342	1454	1248	1447	0	1447
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1350	1458	1250	1450	0	1450
Calendar Year Imports	0	958	0	0	0	0
Calendar Yr Imp. U.S.	0	70	0	0	0	0
Calendar Year Exports	0	4	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 11. Peanut Meal

PSD Table						
Country	China, Peoples Republic of					
Commodity	Meal, Peanut				(1000 MT)(PERC ENT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	6775	6800	6950	6900	0	7000
Extr. Rate, 999.9999	0.391144	0.406765	0.391223	0.404348	ERR	0.4
Beginning Stocks	0	0	0	0	0	0
Production	2650	2766	2719	2790	0	2800
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2650	2766	2719	2790	0	2800
MY Exports	35	21	10	20	0	20
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	2615	2745	2709	2770	0	2780
TOTAL Dom. Consumption	2615	2745	2709	2770	0	2780
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2650	2766	2719	2790	0	2800
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	26	0	11	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Vegetable Oils

Table 12. Soybean Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Soybean				(1000 MT)(PERC ENT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	20310	20400	22450	23300	0	24172
Extr. Rate, 999.9999	0.173117	0.17549	0.173274	0.175966	ERR	0.175823
Beginning Stocks	280	230	250	210	300	400
Production	3516	3580	3890	4100	0	4250
MY Imports	370	370	800	870	0	700
MY Imp. from U.S.	0	21	40	40	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	4166	4180	4940	5180	300	5350
MY Exports	60	59	100	150	0	200
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	3856	3911	4540	4630	0	4750
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	3856	3911	4540	4630	0	4750
Ending Stocks	250	210	300	400	0	400
TOTAL DISTRIBUTION	4166	4180	4940	5180	0	5350
Calendar Year Imports	75	70	0	870	0	0
Calendar Yr Imp. U.S.	12	12	0	20	0	0
Calendar Year Exports	0	59	0	47	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 13. Rapeseed Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Rapeseed				(1000 MT)(PERCE NT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	11120	11405	10050	10000	0	12000
Extr. Rate, 999.9999	0.334532	0.366506	0.334328	0.35	ERR	0.35
Beginning Stocks	0	0	0	0	0	0
Production	3720	4180	3360	3500	0	4200
MY Imports	50	48	40	48	0	50
MY Imp. from U.S.	0	1	0	1	0	0
MY Imp. from the EC	10	30	25	50	0	0
TOTAL SUPPLY	3770	4228	3400	3548	0	4250
MY Exports	30	28	20	28	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	3740	4200	3380	3520	0	4250
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	3740	4200	3380	3520	0	4250
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	3770	4228	3400	3548	0	4250
Calendar Year Imports	40	49	0	78	0	0
Calendar Yr Imp. U.S.	0	1	0	1	0	0
Calendar Year Exports	0	54	0	18	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 14. Palm Oil

PSD Table						
Country:						
Commodity:	Palm Oil					
		2001		2002		2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0		
MY Imports	1481	2020	1600	2200		2200
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from the EC	0	0	0	0		0
TOTAL SUPPLY	1481	2020	1600	2200	0	2200
MY Exports	0	0	0	0		0
MY Exp. to the EC	0	0	0	0		0
Industrial Dom. Consum	0	0	0	0		0
Food Use Dom. Consump.	1481	2020	1600	2200		2200
Feed Waste Dom.Consum.	0	0	0	0		0
Total Dom. Consumption	1481	2020	1600	2200	0	2200
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1481	2020	1600	2200	0	2200
Calendar Year Imports	1391					
Calendar Yr Imp. U.S.						
Calendar Year Exports	0	0				
Calndr Yr Exp. to U.S.						

Table 15. Peanut Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Peanut				(1000 MT)(PERC ENT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	6775	6800	6950	6900	0	7000
Extr. Rate, 999.9999	0.313653	0.335294	0.31295	0.314493	ERR	0.314286
Beginning Stocks	0	0	0	0	0	0
Production	2125	2280	2175	2170	0	2200
MY Imports	5	7	10	11	0	10
MY Imp. from U.S.	0	1	0	3	0	0
MY Imp. from the EC	0	0	0	2	0	0
TOTAL SUPPLY	2130	2287	2185	2181	0	2210
MY Exports	15	12	15	16	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	2115	2275	2170	2165	0	2210
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	2115	2275	2170	2165	0	2210
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2130	2287	2185	2181	0	2210
Calendar Year Imports	0	9	0	4	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	14	0	11	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 16. Sunflowerseed Oil

PSD Table						
Country	China, Peoples Republic of					
Commodity	Oil, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	800	650	990	790	0	720
Extr. Rate, 999.9999	0.22625	0.227692	0.226263	0.23038	ERR	0.236111
Beginning Stocks	0	0	0	0	0	0
Production	181	148	224	182	0	170
MY Imports	0	1	0	1	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	181	149	224	183	0	170
MY Exports	0	1	0	1	0	1
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	181	148	224	182	0	169
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	181	148	224	182	0	169
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	181	149	224	183	0	170
Calendar Year Imports	0	1	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	1	0	1	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 17. Coconut Oil

PSD Table						
Country:						
Commodity:	Coconut Oil					
		2001		2002		2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	180	133	190	100	0	120
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	180	133	190	100	0	120
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	180	133	190	100	0	120
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	180	133	190	100	0	120
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	180	133	190	100	0	120
Calendar Year Imports		119				
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Miscellaneous Tables

Table 18. Wholesale Soybean Prices CY2002

										Unit: RMB Yuan/MT 8.26 RMB = US\$1.00		
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec/02
Tianjin	1,960	1,980	1,980	2,020	2,240	2,180	2,300	2,420	2,120	2,160	2,340	2,500
Hebei	1,980	1,980	2,000	2,060	2,260	2,200	2,300	2,440	2,120	2,160	2,340	2,500
Jilin	1,740	1,760	1,820	1,880	2,120	2,100	2,140	2,350	2,020	2,060	2,280	2,440
Heilongjiang	1,680	1,720	1,780	1,840	2,080	2,040	2,100	2,400	1,980	2,040	2,200	2,360
Shanghai	2,000	2,020	2,020	2,060	2,250	2,200	2,300	2,460	2,420	2,460	2,500	2,650
Jiangsu	1,980	2,010	2,000	2,060	2,240	2,180	2,300	2,440	2,420	2,460	2,500	2,650
Jiangxi	2,020	2,040	2,040	2,080	2,280	2,220	2,350	2,500	2,460	2,500	2,560	2,700
Shandong	1,960	1,980	2,000	2,060	2,280	2,220	2,300	2,480	2,140	2,180	2,400	2,550
Henan	2,000	2,020	2,040	2,100	2,300	2,260	2,340	2,480	2,160	2,200	2,420	2,550
Guangdong	1,960	1,960	1,980	2,020	2,240	2,200	2,300	2,420	2,400	2,440	2,520	2,650
Average	1,928	1,947	1,966	2,018	2,229	2,180	2,273	2,439	2,224	2,266	2,406	2,555
Jan - Dec Change = +32.52%												

Source: China National Grains & Oils Information Center, Beijing

Table 19. Wholesale Soybean Meal Prices CY2002

										Unit: RMB Yuan/MT		
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Beijing	1,560	1,650	1,620	1,680	1,880	1,860	1,900	2,350	2,000	1,920	2,040	2,200
Jilin	1,440	1,480	1,480	1,600	1,800	1,760	1,790	2,250	1,950	1,800	1,880	2,100
Heilongjiang	1,400	1,400	1,400	1,530	1,780	1,720	1,770	2,250	1,900	1,740	1,780	1,960
Shanghai	1,680	1,750	1,650	1,700	1,980	1,920	1,920	2,300	2,020	1,960	2,040	2,200
Jiangsu	1,660	1,700	1,650	1,700	1,960	1,900	1,900	2,280	2,000	1,950	2,040	2,200
Fujian	1,720	1,720	1,680	1,800	2,000	1,950	1,950	2,500	2,200	2,040	2,060	2,250
Jiangxi	1,740	1,740	1,700	1,720	2,020	1,950	1,950	2,320	2,040	2,000	2,080	2,200
Shandong	1,530	1,580	1,580	1,700	1,880	1,840	1,860	2,300	1,980	1,900	2,040	2,180
Henan	1,620	1,620	1,620	1,760	1,960	1,900	1,920	2,350	2,020	1,950	2,080	2,200
Guangdong	1,740	1,740	1,680	1,800	2,000	1,950	1,950	2,600	2,250	2,040	2,060	2,250
Guangxi	1,750	1,760	1,720	1,800	2,020	1,980	1,980	2,600	2,250	2,100	2,150	2,300
Average	1,622	1,649	1,616	1,708	1,935	1,885	1,899	2,373	2,055	1,945	2,023	2,185
Jan-Dec Change = + 34.75%												

Source: China National Grains & Oils Information Center, Beijing

Table 20. Wholesale Soybean Oil Prices CY2002

									Unit: RMB Yuan/MT			
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin	4,550	4,600	4,500	4,440	4,520	4,700	5,200	5,600	4,900	5,250	5,500	5,900
Hebei	4,550	4,600	4,500	4,420	4,520	4,650	5,200	5,650	4,900	5,250	5,500	5,900
Jilin	4,450	4,450	4,400	4,440	4,600	4,700	5,600	5,700	5,000	5,150	5,600	6,000
Heilongjiang	4,400	4,400	4,300	4,400	4,600	4,600	5,500	5,650	5,000	5,100	5,500	5,950
Shanghai	4,650	4,750	4,650	4,560	4,650	4,750	5,200	5,700	5,000	5,250	5,500	5,750
Jiangsu	4,620	4,700	4,620	4,530	4,600	4,700	5,200	5,700	4,950	5,250	5,500	5,750
Jiangxi	4,650	4,700	4,650	4,560	4,650	4,700	5,300	5,800	5,000	5,300	5,600	5,800
Shandong	4,620	4,620	4,560	4,420	4,520	4,650	5,100	5,650	4,900	5,250	5,500	5,900
Henan	4,600	4,650	4,600	4,500	4,580	4,680	5,200	5,700	4,950	5,300	5,500	5,850
Guangdong	4,550	4,650	4,500	4,400	4,600	4,700	4,900	5,700	4,950	5,200	5,500	5,650
Average	4,564	4,612	4,528	4,467	4,584	4,683	5,240	5,685	4,955	5,230	5,520	5,845
Jan - Dec Change = +28.07%												

Source: China National Grains & Oils Information Center, Beijing.

Table 21. Wholesale Rapeseed Oil Prices CY2002

									Unit: RMB Yuan/MT			
Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Jiangsu	4,700	4,700	4,700	4,550	4,450	4,750	4,856	5,550	5,300	5,450	5,700	6,050
Zhejiang	4,750	4,750	4,700	4,550	4,490	4,780	4,900	5,600	5,300	5,500	5,700	6,050
Anhui	4,700	4,700	4,650	4,500	4,430	4,700	4,817	5,500	5,300	5,400	5,700	6,000
Jiangxi	4,680	4,700	4,650	4,500	4,420	4,680	4,810	5,500	5,300	5,450	5,700	6,000
Hubei	4,680	4,680	4,620	4,500	4,400	4,580	4,710	5,700	5,300	5,450	5,700	6,000
Hunan	4,680	4,680	4,620	4,500	4,400	4,580	4,710	5,700	5,300	5,450	5,700	6,000
Sichuan	4,620	4,640	4,600	4,450	4,350	4,520	4,656	5,900	5,300	5,400	5,700	6,000
Average	4,687	4,693	4,649	4,507	4,420	4,656	4,780	5,636	5,300	5,443	5,700	6,014
Jan - Dec Change = +28.31%												

Source: China National Grains & Oils Information Center, Beijing.

Table 22. A Comparison of Wholesale Prices for Soy And Rapeseed Oil for CY2002

Oils	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Rapeseed	4,687	4,693	4,649	4,507	4,420	4,656	4,780	5,636	5,300	5,443	5,700	6,014
Soy	4,564	4,612	4,528	4,467	4,584	4,683	5,240	5,685	4,955	5,230	5,520	5,845
Diff	2.6%	1.7%	2.6%	0.9%	-3.7%	-0.6%	-9.6%	-0.9%	0.07	0.04	0.03	2.8%

Source: FAS Beijing based on data from China National Grains & Oils Information Center, Beijing

Table 23. Taxes And Duties

China's Oilseeds and Oilseed Products Tariffs as of January 1, 2003					
HS Code	Description	In Quota	Out-of-Quota		
		Duty(%)	M.F.N.(%)	V.A.T.(%)	
Seed					
12010010	Soybeans, seed	N/A		13	
12010091	Yellow soybean	N/A	3	13	
12010092	Black soybean	N/A	3	13	
12010093	Green soybean	N/A	3	13	
12010099	Other soybean	N/A	3	13	
12021010	In shell peanut, seed	N/A		13	
12021090	In shell peanut, other	N/A	15	13	
12022000	Shelled peanut	N/A	15	13	
20081110	Peanut kernels, in airtight containers	N/A	30	17	
20081120	Roasted peanuts	N/A	30	17	
20081130	Peanut butter	N/A	30	17	
20081190	Other processed peanuts	N/A	30	17	
12051010	Low erucic acid rape seed, seed			13	
12051090	Low erucic acid rape seed, other		9	13	
12059010	Other rapeseed, seed	N/A		13	
12059090	Other rapeseed, other	N/A	9	13	
12060010	Sunflower seeds, seed	N/A		13	
12060090	Sunflower seeds, other	N/A	15	13	
12072010	Cottonseeds for cultivation	N/A		13	
12072090	Cottonseeds, other	N/A	15	13	
12074010	Sesame seeds for cultivation	N/A		13	
12074090	Sesame seeds, other	N/A	10	13	
Oil					
15071000	Crude soybean oil	9	41.6	13	
15079000	Other soybean oil	9	41.6	13	
15081000	Crude peanut oil		10	13	
15089000	Other peanut oil		10	13	
15091000	Olive Oil, virgin		11.6	13	
15099000	Olive oil, other		11.6	17	
15111000	Palm oil, crude	9	41.6	13	
15119010	Palm oil, liquid	9	41.6	13	

15119020	Stearin		8	13	
15119090	Palm oil, other	9	41.6	17	
15121100.10	Crude sunflower seed oil	N/A	9.4	13	
15121100.90	Crude safflower seed oil	N/A	9.4	13	
15121900.10	Other sunflower seed oil	N/A	9.4	17	
15121900.90	Other safflower seed oil	N/A	9.4	17	
15122100	Crude cottonseed oil	N/A	10	13	
15122900	Other cottonseed oil	N/A	10	17	
15131100	Crude coconut oil	N/A	10	13	
15131900	Other coconut oil	N/A	10	13	
15132100	Crude palm kernel oil	N/A	10	13	
15132900	Other palm kernel oil	N/A	10	17	
15141110	Crude low erucic acid rape oil	9	41.6	13	
15141190	Crude low erucic acid mustard oil	9	41.6	13	
15141900	Other crude low erucic acid rape oil	9	41.6	13	
15149110	Crude rape oil	9	41.6	13	
15149190	Crude mustard oil	9	41.6	13	
15149900	Other rape oil	9	41.6	17	
Meal					
12081000	Soyflour	N/A	9	17	
23012010	Fish meal	N/A	2	13	
23025000	Legume sweepings	N/A	5	13	
23040010	Soy meal, oil cake	N/A	5	13	
23040090	Soy meal, other	N/A	5	13	
23050000	Peanut meal	N/A	5	13	
23061000	Cottonseed meal	N/A	5	13	
23063000	Sunflower seed meal	N/A	5	13	
23064100	Low erucic acid rapeseed meal	N/A	5	13	
23064900	Other rapeseed meal	N/A	5	13	

Table 24. Tariff Rate Quotas

Product	Quotas and Tariffs	Other terms and conditions
Soybean Oil	Initial Quota: 2,118,000 MT Final Quota: 3,587,100 MT	1) STE share = 42% to 10% (See Notes 1 and 2)
15071000	Tariff: 9%	2) Staging of TRQ for soybean oil:
15079000	Tariff: 9%	Year: TRQ quantity:
		2002 2,518,000 mt
		2003 2,818,000 mt
		2004 3,118,000 mt
		2005 3,587,100 mt
		Staging of STE share:
		Year: Share:
		2002 34%
		2003 26%
		2004 18%
		2005 10%
		Tariff rate quotas to be eliminated on 1 January 2006.
Rapeseed Oil	Initial Quota: 739,200 MT Final Quota: 1,243,000 MT	1) STE share = 42% to 10% (See Notes 1 and 2)
15141010	Tariff: 9%	2) Staging of TRQ for rape-seed oil
15141090	Tariff: 9%	Year: TRQ quantity:
15149000	Tariff: 9%	2002 878,900 mt
		2003 1,018,600 mt
		2004 1,126,600 mt
		2005 1,243,000 mt
		Staging of STE share:
		Year: Share:
		2002 34%
		2003 26%
		2004 18%
		2005 10%
		Tariff rate quotas to be eliminated on 1 January 2006.

Palm Oil	Initial Quota: 2,100,000 MT Final Quota: 3,168,000 MT	1) STE share = 42% to 10% (See Notes 1 and 2)
15111000	Tariff: 9%	2) Staging of TRQ for palm oil
15119000	Tariff: 9%	Year: TRQ quantity:
		2002 2,400,000 mt
		2003 2,600,000 mt
		2004 2,700,000 mt
		2005 3,168,000 mt
		Staging of STE share:
		Year: Share:
		2002 34%
		2003 26%
		2004 18%
		2005 10%
		Tariff quotas to be eliminated on 1 January 2006.
		3) China agrees to provide adequate opportunities in increasing the established import quota levels of TRQs for palm oil in case of an excessive demand for palm oil within China that is over and above that of the present TRQs as evidenced by the complete utilization of TRQs for palm oil in the previous year.
		4) Any adjustments to tariffs, import quota levels of TRQs, import rights (when respect to state trading enterprises) and implementation period resulting from the conclusion of future bilateral negotiations with other oils and fats exporting countries.

Product Specific Analysis

Soybeans and Products

Production

Production is estimated to hit a record high of 16.3 MMT in MY02 and another record of 17.0 MMT is forecast for MY03. This record production in the current marketing year is attributable to favorable weather and improved seeds and cultivation practices.

Meal production continues to increase in response to high demand and increased crushing capacity. The consolidation of the crushing industry continues, with the larger southern coastal crushers expanding at the expense of smaller, less efficient crushers, who struggle to compete. Some have been forced to shut down. This trend is expected to continue in MY03. Crushing capacity is estimated to be approximately 50 MMT annually and expected to reach 57 MMT by the end of MY03.

Soybean, soybean meal, and soybean oil prices increased 32.5 percent, 34.8 percent, and 28.1 percent respectively during CY02 (see Tables 18 - 22). With a record domestic crop forecast for MY03 and record world oilseeds production estimated for MY02, prices are expected to come under pressure during the period.

Consumption

Increased personal incomes are driving up demand for oil and meats. The latter is leading to strong demand for meals.

The MY02 estimate for domestic food, seed, and waste has been revised upward due to the record domestic crops during the subject period. The percentage of domestically grown soybeans that go into food use is higher than that of imported soybeans. Furthermore, Chinese consumers will eat more tofu, as well as meats, as their incomes increase. Also, the Chinese government has been promoting soy beverage drink as a lower cost alternative to milk. Seed use also is likely to increase because farmers will hold back more seed in MY02 to produce a record crop in MY03. Weaker prices and poor quality storage facilities in the domestic growing regions will cause more waste of the record crop.

Policy

China's June 2001 law regulating transgenic crops threatened to shut down imports while Chinese authorities carried out risk assessments. White House intervention brought promises that biotechnology regulation would not be used as a trade barrier, and in March 2002 China published interim regulations that would permit imports of soybeans and other transgenic crops to continue until December 2002, by which time China hoped to complete its risk assessment. These interim rules were extended until September 2003. U.S. officials continue to press for immediate completion of the assessment for Roundup Ready soybeans.

On Feb 11, 2003, the government published a circular in which it detailed its plans to strengthen its soybean industry. It includes an exemption for soybean meal from having to pay a railroad construction tax. It also targets the export of soybean meal as one of its explicit objectives. (See CH3016 for further details.) Whether the government will budget adequate funds to achieve these objectives is difficult to determine.

On Feb 13, 2003, the Government of China published a new Five-Year Plan. Within the Plan, the soybean sector focuses on increasing yield and the oil content of domestically grown soybeans to the level of imported soybeans. The oil content of domestically grown soybeans historically has been about one to two percentage points less than that of imports. The objective is to reduce reliance on imported soybeans for the crushing industry. The Plan also sets the objective of increasing yields to 150 kg per mu (1 ha = 15 mu). The Plan also mentions, but does not explain in any detail, developing China's Northeast as an area of non-bioengineered soybeans. FAS/Beijing is seeking clarification of this policy objective and expects to publish its findings in a separate report.

Trade

FAS/Beijing estimates total imports of soybeans will finish the current marketing year at 16.25 MMT and forecasts that number to increase to 16.5 MMT in MY03. With ideal growing conditions in Brazil and a record world oilseeds supply, however, U.S. exporters will face stiff competition from South American soybeans. Again, the biotech issue casts a shadow of uncertainty over this forecast. Highest Chinese government officials, however, repeatedly have assured the U.S. that biotechnology policy will not impede soybean imports.

Soybean meal exports continue to increase at a rapid rate. They have increased from 29,004 MT in CY00 to 1,013,161 MT in CY02. A portion of the most recent increase can be attributed to the government's VAT rebate policy (see CH2013). This, and lower transportation costs to East Asian markets, especially South Korea, give Chinese meal exports enough of an edge over other sellers to be competitive during select periods and to select markets. Whether China will ever become a major meal exporter seems somewhat doubtful, but the government's push for increasing processing industries (see CH3016), the proximity to meal consuming markets, increases in crushing capacity in China, and low labor costs warrant monitoring those exports for further increases.

Stocks

Statistics on stocks continue to be considered a state secret in China. Numerous industry sources, however, have stated that stocks were drawn down to the bottom of the bins in the final weeks before the domestic harvest. The fact that prices dipped only slightly during the Sept harvest and then started *increasing* in Oct, Nov, and Dec 2002 tends to support that assertion. Traders' assessment of the government's ability to complete the necessary testing and issue safety certificates by the Sept 20 deadline might affect stocks. FAS/Beijing's MY02 estimate and MY03 forecast of stocks reflect a neutral bias on this issue. That view notwithstanding, it is recognized that some buyers, fearing a disruption in imports, might pre-purchase soybeans and drive up the ending stocks number beyond what is estimated and forecast here.

Rapeseed and Products

In MY02 China's rapeseed production was 9 percent less than in MY01 due in part to untimely rains that damaged the crop. FAS/Beijing is forecasting a return to recent historic average production of 12.35 MMT from 8.2 million HA in MY03. Rapeseed oil prices tracked very closely with soybean oil prices in CY02 (see Table 22). Except for a July price spike for soybean oil, rapeseed oil generally enjoyed a slightly higher price throughout the year.

Other Oilseeds and Products and Fishmeal

Peanuts and Products

China continues to be the number one producer and exporter of peanuts in the world. No major changes are expected in either MY02 or MY03. Area planted and production are expected to remain average.

Palm Oil

No major changes are expected in the palm oil market. Imports are estimated to remain average. The TRQ for palm oil was filled during CY02.

Fishmeal

The El Niño has not been as strong as had been forecast, therefore fish catches along the South American coast, most notably Peru, have been normal to above average and fish meal supplies are average. Peru continues to be the dominant supplier of imports to the Chinese market. China's domestic fishmeal market remains relatively unchanged.

Sunflowerseeds and Products

It remains difficult to obtain reliable statistics on sunflowerseed production, but no major changes are expected for MY02 or MY03.